

## Message Text

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ACTION COME-00

INFO OCT-01 EUR-12 EA-06 ISO-00 AID-05 CIAE-00 EB-07

FRB-01 INR-05 NSAE-00 RSC-01 TRSE-00 XMB-02 OPIC-03

SP-02 CIEP-01 LAB-01 SIL-01 OMB-01 /049 W

----- 024791

R 290531Z NOV 74

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 7195

INFO AMEMBASSY TOKYO

AMEMBASSY LONDON

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PASS T. PROSS, OFFICE SHIPBUILDING COSTS, MARITIME ADMINISTRATION,  
USDOC WASHDC

LONDON FOR G.KJ. RYAN

FROM SOMECK

E.O. 11652: N/A

TAGS: ECON, KS

SUBJECT: HYUNDAI

REF: WA-74-0838; TOKYO 74-93/104

1. 1. NUMBER ONE 74-104 IS REVISED TO READ ONE U.K.;  
TWO GREECE: TWO NORWAY.

2. AN ELABORATION OF 2A OF 74-104 IS THAT THREE MONTHS AGO,  
WHEN ONE OF THE NORWEGIANS WAS SERIOUS, FIXED PRICE QUOTED  
WAS ABOUT US \$25 MILLION. FEEL THAT TODAY WOULD BE FIVE TO  
TEN PERCENT HIGHER. NORWEGIANS HAVE POSTPONED FURTHER NEGOTIATIONS  
PRIMARILY DUE INABILITY SECURE LOW LOAN INTEREST RATES.

3. REFERENCE 2B OF 74-104 HYUNDAI SAY THAT FOLLOWING PROVISIONS,  
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WHICH WERE AGREED TO BY NORWEGIANS, ARE WHAT THEY PREFER AND

WOULD DISCUSS ONLY RELUCTANTLY CHANGES WITH OTHER PROSPECTIVE BUILDERS IN EITHER PERCENTAGES AND/OR NUMBER OF PAYMENTS:

- A. 5 PERCENT - CONTRACT SIGN
- B. 15 PERCENT - SIX MONTHS LATER
- C. 15 PERCENT - START STEEL FABRICATION
- D. 20 PERCENT - KEEL LAYING
- E. 20 PERCENT - LAUNCHING
- F. 25 PERCENT - DELIVERY

4. CAMMEL LAIRD (6 OF 74-104) DESIGN UNDER OPTION AND WHEN A CONTRACT IS FIRM HYUNDAI WILL EXERCISE OPTION.

5. ABRIDGED SPECIFICATIONS BEING FORWARDED VIA AIRMAIL.

II. 1 TEN KUWAITI GENERAL CARGO VESSEL CHARACTERISTICS ARE AS FOLLOWS:

- A. DWT: 22,300 LT
  - B. LOA: 175.30 M
  - C. LBP: 167.65 M
  - D. BRDTH: 23.35 M
  - E. DPTH: 14.20 M
  - F. DRAFT: 10.2 M
  - G. CAPACITY: 30,000 M3
  - H. ENGINE: B AND W 6K 74EF (U.K.)
  - I. SHP: 11,400
  - J. RPM: 130
  - K. KTS: 16.25
  - L. CONSUMPTION: 45 TON
  - M. CLASS: LLOYDS
  - N. DESIGN: GOVAN (U.K.)
9. DELIVERY: OCT. 76 THROUGH MAY 77

2. ALL GALLEY, CARGO HANDLING, HYDRAULIC, NAVIGATIONAL EQUIPMENT FROM U.K. AND WILL BE IDENTICAL TO EQUIPMENT INCORPORATED ABOARD 10 SISTER VESSELS UNDER CONSTRUCTION GOVAN SHIPBUILDING, THREE OF WHICH ALREADY DELIVERED.

3. HYUNDAI PLANNING CONSTRUCT AT LEAST FOUR PERHAPS SIX LIMITED OFFICIAL USE

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OF ABOVE VESSELS SIMULTANEOUSLY IN THEIR NUMBER TWO DRYDOCK WITH DIMENSIONS 560 ML X 92 MW X 13.2 MD.

4. FIRST FOUR VESSELS ARE SAME PRICE AND LAST SIX ARE SAME. AVERAGE FOR TEN VESSELS IS US DOLLARS 16 MILLION FIXED.

5. PAYMENT TERMS ALL VESSELS:

- A. 10 PERCENT - CONTRACT SIGN
- B. 10 PERCENT - START STEEL FABRICATION
- C. 15 PERCENT - KEEL LAYING
- D. 10 PERCENT - AT 25 PERCENT STEEL ERECTED
- E. 10 PERCENT - AT 50 PERCENT STEEL ERECTED
- F. 10 PERCENT - AT 75 PERCENT STEEL ERECTED
- G. 20 PERCENT - LAUNCHING
- H. 15 PERCENT - DELIVERY

III. 1. HYUNDAI HAVE ALSO RECENTLY RECEIVED ORDERS FROM TWO GREEKS FOR TWO 26,000 DWT PANAMAX BULKERS EACH. ONE CONTRACT SIGNED 22ND NOVEMBER AND THE OTHER 27TH NOVEMBER. DELIVERY ALL VESSELS FIRST HALF 1977.

2. PRICE IS FIXED AND ABOUT U.S. DOLLARS 25 MILLION EACH WITH SIX PAYMENTS AS IN CASE OF CLEAN TANKERS. DESIGN IS SCOTT LEITHGOW (U.K.).

IV. ALL FOREGOING TO BE MAINTAINED IN STRICT CONFIDENTIAL MANNER.

V. FYI HYUNDAI PLAN ALL FUTURE CONTRACTS TO BE FIXED AS THEY REALIZE THAT ESCALATION ARE ANATHEMA TO SOME OWNERS. THIS POSSIBLE SINCE HYUNDAI RECEIVED FIXED PRICES FROM MATERIALS AND EQUIPMENT SUPPLIERS MANY OF WHICH LOCATED ABROAD. SNEIDER

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## Message Attributes

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